Communities in Action
Office of Health Disparities
Mississippi Department of Health
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Organizational Credibility and Funding©

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Creating a 501(c)(3)

Steve Jeanetta Web Site

- Resource Guide
- Video
- Incorporation forms
- Keeping organization tax exempt

*One must gain tax exempt status with **both** the IRS and the Secretary of State. Securing one does not automatically include the other.

Public Disenchantment with Nonprofits

- The public views the charity system as disorganized, under-regulated, and tainted by scandal.

- Only 1 in 10 believes charities use donated funds honestly and ethically.

- The sources of these reactions is abuse of trust, lack of accountability, and lack of concrete results.

Sharon Hoffman, "Charity: A Matter of Trust," MSNBC, 11/20/06.

Risks Posed by Grant Seekers

- "Sit on the money"
- Don't finish a project
- Don't finish a project in the promised time
- Misappropriate funds
- Don't produce any benefits
- Poor management
- No accountability
- Spending on unallowable costs
- No long-term increase in capacity
- Don't want to move to evidence-based or best practices
- No beneficial impact on community
- Try to turn project into operating grants

- No sustainability
- Don't collaborate or network
- Want to sink money in current staff and new equipment
- No long-term growth toward stages of maturity
- Weak boards
- Conflicts of interest on boards (now prohibited by Sarbanes-Oxley, 2002)
- Within 5 years all have disappeared
- Weak evaluation of projects
- No Return on Investment

Strong Organizations with Effective Programs

- Well-articulated mission, vision and values
- Strong board of directors and management team
- Strong results from outcomes-based evaluation
- Support and testimony of well-informed, knowledgeable funders

Taproot Foundation

Effective Organizations (cont.)

- Commitment to performing on-going outcomes-based assessment or a clear logic model incorporating data collection and analysis to validate short- or long-term outcomes

- Financial strength demonstrated through historical records of stable, growing revenues, diversity of income sources, strong cash reserves, long-term grants, and/or strong involvement by board members.*

Taproot Foundation

Notice here what constitutes sound, basic management.

Creating a Credible Board

Conflict of Interest

- Among Congress and regulators, concern over conflicts of interest is increasing

- The APPEARANCE of bias, wrong-doing, bad business practices, unethical, unprofessional, or illegal behavior.

- Conflicts of Interest cause organizations to lose credibility with the public and funders.

- The Pension Protection Act of 2006 requires that the backgrounds of financial advisors managing donor-advised funds undergo a background review to rule out conflicts of interest.

- When citizens are elected or appointed to political office, their investments are put in a Blind Trust to avoid conflicts of interest. They are never informed what is happening with those investments while they are in office.

Skill Sets on Boards

- Information Technology
- Marketing
- Human Resources
- Financial Planning/Oversight*
- Communication/Information/IT
- Research
- Team-orientation and team-building
- Problem-solving

Board Skill Sets (cont.)

- Leadership/facilitation
- Community veteran
- Policy orientation
- Evaluation/analysis
- Law
- Community Development*
- Property rights*
- Political advocacy* (within IRS guidelines)

*Suggested in article by Suzanne Perry, *Chronicle of Philanthropy* (online), 4/30/07.

Situations That Can Rob Nonprofit Boards of Credibility Among Funders

- A prepondereance of family members on a board.
- Executive director/CEOs as head of a board. Traditionally, this person is a creature of the board, which hires and fires the executive director/CEO.
- A pastor as a head of the 501 (c) (3) board.
- Executive Directors/CEOs, and Pastors may start out heading a board, but at a future growth point, they need to shift lead of the board to someone else.

Community-based Church Boards Are Often Family-oriented

- Enlarge the board with nonfamily members who may vote only on programmatic as opposed to doctrinal issues

- Create an advisory board of people with skill sets not represented on the board – "Friends of Such-and-such Church"

Situations to Avoid

- Avoid board members who will want to do business with your organization. Adding them will create a conflict of interest.

- Don't hire relatives of a board member.

- Friends and acquaintances should be chosen for the skills they bring to the board, not for their relationship to you.

2004 Senate Finance Committee Suggestions

- Nonprofit boards should total no more than 15 people.

- At least 1/5 of those should be independent enough of the charity so that they can make unbiased judgments.

- Board chairmen, treasurers, and foundation trustees should not be paid.

- If trustees are paid, a cap should be levied on what they can earn.

Nota Bene

- In principle, philanthropies will not provide funds to create or add to the value of assets held in an individual's name or too closely identified with a family. They will do so if the assets are "owned" in the name of or "held in trust" by a board if the board doesn't appear to be biased.

- It's the same principle the IRS applies to corporate foundations, which must have "free-standing boards," separate from the parent corporate board.

Identifying Stakeholders and Potential Partners

Warning!

- Funders are increasingly weary of receiving 22 applications from "Lone Ranger" organizations that won't collaborate or partner.

- An increasingly common trend in programming and funding is favoring regional impact, whether that be on the urban, rural, state, or national level!

American Maverick Curse

- Winning our freedom from Mother England made independence a civic blessing.

- That civic blessing is now a curse – organizations do not want to work together, thereby duplicating efforts, expanding costs, and wasting resources.

- Regional funders are weary of receiving 5 to18 separate proposals addressing the same issue and population.

American Maverick Curse – Response

- Starting in the late 1990s, more systems/network-building grants rolled out of DC

- Those RFPs require collaborators, coalitions, partners to be active at every stage of a proposal, including writing. Evidence must be provided of such early involvement.

- Funders are slowly and quietly moving to cost/population/benefit ratios and impact figures in making funding decisions.

Regional Collaborations

"'Rural communities that are trying to go it alone and not focusing on a regional strategy are pretty much doomed to failure.'"

John Molinaro, Associate Director of Community Strategies, Aspen Institute

Suzanne Perry, "Rural America Must Be Philanthropic Priority, Conference Speakers Say," *Chronicle of Philanthropy* (online), August 13, 2007.

Master Principle in Making a Case

- When planning a business, the key to success is location, location, location.
- In making a case in a grant proposal, the key to success is benefit, benefit, benefit! But the most recent federal RFPs have converted that language to "impact, impact, impact."
  - Customers
  - Organization
  - Community
  - Region/State
  - Funder
  - State of knowledge in the field

Impact

- The Employment and Training Administration (Department of Labor) also construes impact to be "the estimated number of individuals the capacity-building activity will affect during the grant period."

Impact in Regulatory Musings

- Discussions have occurred in the Senate Appropriations Committee in Congress about requiring nonprofits to demonstrate the benefits they claim they are achieving in their communities to justify their nonprofit status.

Economic Impact of Every $1 of Hospital Spending In Missouri			
	Multiplier for Employment	**Multiplier for Earnings**	**Multiplier for Output**
	2.0032	1.7955	2.2643
CMH	$100,160,000	$168,058,800	$452,800.000
Texas County Memorial	$24,136,284	$3,775,713	$92,923,718
Skaggs Health Center	$89,340,089	$219,340,089	$582,632,605

Stakeholders

- Public groups and individuals who have an interest in your organization's success in achieving its mission.
  - Board members
  - Donors
  - Volunteers
  - Community leaders
  - Customers
  - Referral sources
  - Governments and units of government

Potential Partners

- Similar agencies
- Agencies also working in your target and disparate populations
- Allied agencies
- Interested agencies

Plans

The Importance of Plans

- Plans are organized, disciplined scripts for organizations
- Plans assure that some goal or outcome can be reached
- Plans make results and products possible
- Plans reduce risks that organizations pose to funders

A Plan's Appearance

- A plan expressed in a block of prose is not a plan.

- It isn't a plan until it features (a) steps tied to (b) dates.

Growth Points in a Multi-Year Project/Funding Plan

Growth Points with Start-up Projects

From a funder: "We need to see plans for how the continuous upgrade and continuous training pieces are integrated into the operating budget of the organization. Most funders that fund the start-up programs want to see the long-term plan for this program being integrated into the organization's core because we can't fund core operations or programs in perpetuity. This is not an easy thing to do and I don't mean to suggest that it is something that can be automatic. But I think that this is an additional piece of thinking that nonprofits have to do and a case they have to make with their own boards around resource allocation. If funders see nonprofits undertaking those tough decisions, then I think we have greater insurance that our investment is well-spent."

Marc Osteen, Susan Myrland, and Katrin Verclas. "Beyond the Case Statement: Your Grant Proposal." Tech Soup. August 22, 2003.

Law of the Physical Universe

- If you aren't growing, developing, and progressing, then you are figuratively or literally stultifying and dying!
  - There is no protection or waiver from the operation of this universal law.

Universal Law

"We've got years of tradition unmarred by progress." After reporting this observation of a VP of a failing Fortune 500 Company, Oren Harari, author of *The Leadership Secrets of Colin Powell*, pointed out that more than half of the 1980 Fortune 500 companies no longer exist. "They were big, dominant, and resource rich - and they couldn't adapt."

"You can't just sit there and not grow. That is not American business."

Elizabeth Demarse, President and CEO, Bankrate Inc.

Growth Points

- To be really competitive, an organization's or collaboration's planning must focus on the concept of "growth points."

- Growth points are leaps, not spurts, but several spurts might collectively constitute a leap.

- Upon realizing a growth point, an organization becomes something it was not before.

- Determining your organization's or project's growth points will allow you to make your case articulately.

Growth Points

- Initial problems, threats, challenges to an organization require a response.

- The response converts the problems, threats and challenges to achievements.

- The conversion to achievement builds capacity.

- All things being equal, an organization does not regress after having achieved a growth point.

Multi-Year Project Plan
Jennings Community Home Development Project
Year 1

Project/Intervention	Funding Type	Funder
Plan/create developer incentive plan	Mini-grant-Econ. Dev. or Com. Dev. OR In-Kind	Unit of local gov, local foundation, or university
Conduct Developer Workshops	In-Kind	Restaurants, grocery stores, schools
Initial Interest Meeting	In-Kind	Restaurants, grocery stores, schools
4 Community Meetings	In-Kind	Restaurants, grocery stores, schools
Homeowner Education •Credit Counseling •Job Training •Continuing Ed.	In-Kind (partner or sponsor)	US Bank, Realtors' Assoc., Beyond Housing

Multi-Year Project Plan
Jennings Community Home Development Project
Year 2

Project/Intervention	Funding Type	Funder
Developer Workshops Continued	In-Kind	Unit of government, local foundation, or university
Homeowner Education Workshop Series Financial Literacy •Types of Loans and financial assistance •Working with realtors	In-Kind (partner or sponsor)	US Bank, Realtors' Assoc., Beyond Housing, American Express, A.G. Edwards

Multi-Year Project Plan
Jennings Community Home Development Project
Year 3

Project/Intervention	Funding Type	Funder
Home Management Workshops	In-Kind (partner or sponsor)	Beyond Housing

Ramping Up the Power of Interventions: Science-based Projects to Reduce Risks to Funders

Other Tools

- **Community Tool Box**

- A one-stop web-page for a variety of community building related topics. Over 3,000 downloadable pages.   Visit:
  http://ctb.ku.edu/

Community Toolbox

- Models for Promoting Community Health
- Community Assessment
- Promoting Participation
- Strategic Planning
- Leadership and Group Facilitation
- Designing Community Interventions
- Implementing Community Interventions

Community Toolbox (cont.)

- Community Building and Cultural Competence
- Organizing for Effective Advocacy
- Evaluating Programs
- Accomplishing & Maintaining Success
- Generating & Managing Resources for an Initiative
- Social Marketing

Community Toolbox (cont.)

- Quick Tips & Tools
- See a Story or Example
- Learn a Specific Skill
- Link to Other On-line Resources
- Connect with Others About the Work
- See Models & Framework
- Knowledge Base Experience

Science-based Interventions

- SB interventions and projects have been tested multiple times.

- SB interventions and projects have been shown to make the changes necessary to achieve stipulated outcomes.

- Best Practices operate in the same fashion: they have been demonstrated to produce desired results, but they haven't been tested with "scientific rigor."

S-B Web Sites

- www.apha.org/programs/disiparitiesdb
  - Project/interventions database
- www.cherp.research.med.va.gov/primer.php
  - Center for Health Equity Research & Promotion
- http:ncmhd.nih.gov/
  - National Center on Minority Health & Health Disparities
- www.samhsa.gov/SAMHSA_News/VolumeXI_1/article6_1.htm
  - Article on SB interventions

Criteria for a Best Practice

- It produces superior results – 25% or higher results than the normal output.

- New or innovative use of manpower or technology.

- Recognized by at least 3 or more public domain sources as a best practice.

- Received an external award for this practice.

Best Practice Criteria (cont.)

- Recognized by customers or suppliers as a best practice.

- Recognized by an industry expert.

- Organizations utilizing it hold a patent on it.

- Leads to exceptional performance.

Charles J. Burke, "10 Steps to Best-Practices Benchmarking." qualitydigest.com.

Best Practices Example

Springfield ReManufacturing Corporation (SRC) in Springfield, MO.

- Believing every employee is responsible for a company's success, SRC's management team trained every employee in cash flow management. As a result, the company has generated double-digit growth every year since its founding 12 years ago.

Springfield ReManufacturing Corporation (SRC) in Springfield, MO.

- SRC has grown from one company of 100 employees to 12 employee-owned companies in 16 sites with 750 employees.

- Named the "Entrepreneurial Company of the Year" by *Inc.* magazine for the last 3 years. The current turnover rate is less than 1%.

Charles J. Burke, "10 Steps to Best-Practices Benchmarking." qualitydigest.com.
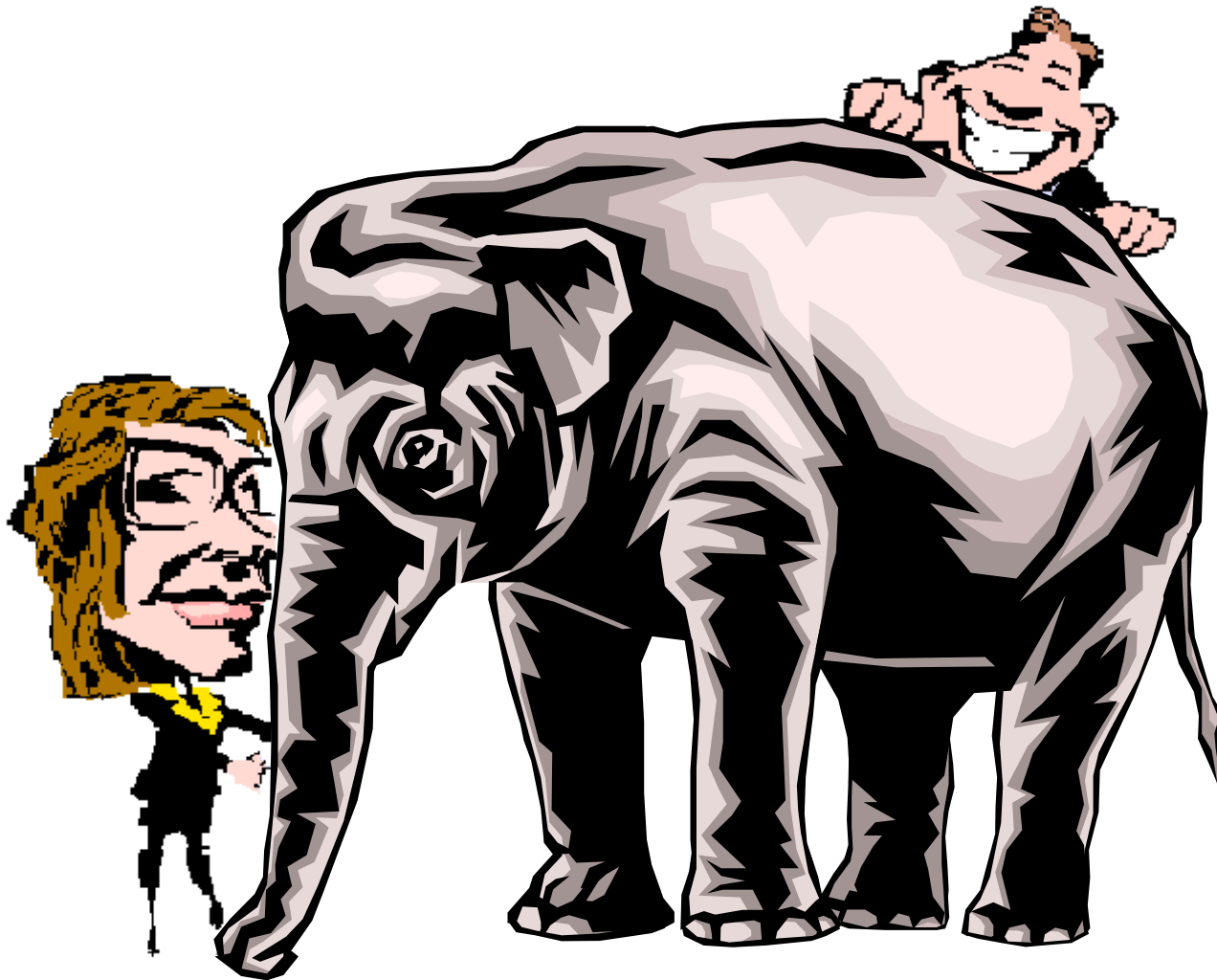
Ramping Power to the Max COPS: Quadruple Use

- Seniors lacking physical activity
- Children unsupervised while walking to school
- Parents tardy to work
- Employers suffering lowered productivity,
  which means lowered profit

Funders' Universe and Funding Streams in Funding Plans

Seeing the Whole Picture

A Taste of Funding Research

Categories of Funders

- Public Funders
  - Federal, state, and local governmental entities

- Private Funders
  - Foundations
  - Corporate Philanthropic Offices
  - Local businesses

Foundations

- Funds are invested.
- When a corporation creates a foundation, it gives up control of those funds.
- Foundations are more law- and rule-bound.
- By June 30 in any year foundations must disburse 5% of the earnings from the previous year's invested funds or face loss of their tax-exempt status
- The IRS receives 1% of the earnings.

Corporate Philanthropies

- The funds derive from a corporation's annual budget, so awards are usually smaller.

- The corporation controls the funds.

- The corporation wants community benefit and an enhanced image in return for its funds.

CPO (cont.)

- Most corporations in this category limit funding by geography (operating locations, plant cities) and employees' interests.

"Community programs that don't work often haven't sought a mix of public and private funds."

The Pew Partnership for Civic Change

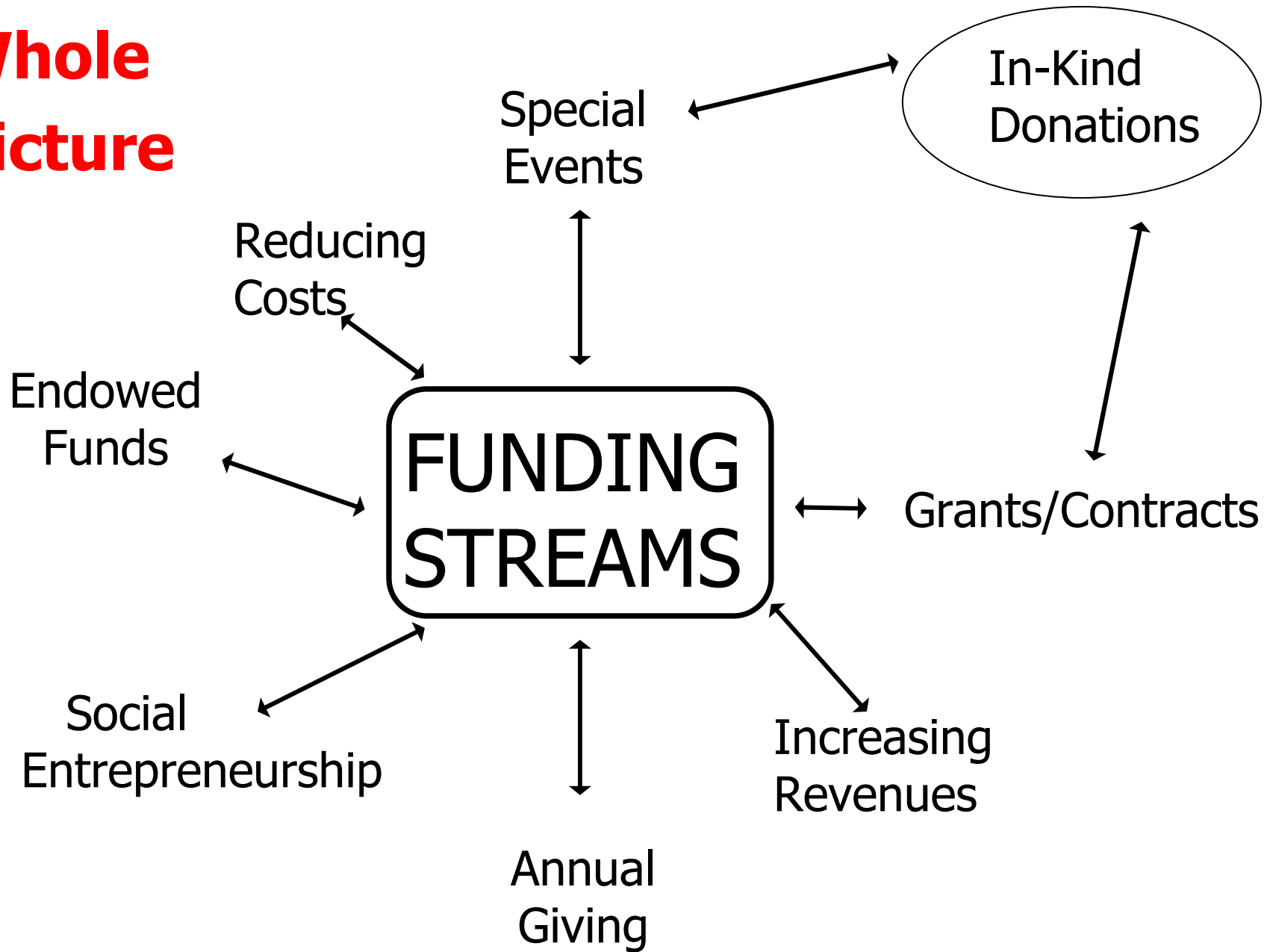# Using the *Foundation Directory* - Efficient order for screening potential funders

- Limitations
- Purpose and activities/fields of interest
- Types of support
- Application format
- Application deadline
- Board meeting dates
- Grant distribution range
- Sample grant awards

Basic Web Research Sites

- Grants.gov
  - **http://www.grants.gov**
- GrantsNet
  - **http://www.hhs.gov/progorg/grantsnet**
- Catalog of Federal Domestic Assistance
  - **www.gsa.gov/fdac**
- Community Toolbox
  - **http://ctb.lsi.ukans.edu**
- Federal Commons
  - **www.cfda.gov/federalcommons**

- Creative Partnerships for Prevention
  - **http://www.cpprev.org/**
- Federal Register (Easy path)
  - **http://www.access.gpo.gov/su_docs/aces/aces140.html**
- NonProfit Gateway
  - **www.nonprofit.gov**

Whole Picture

Special Events

In-Kind Donations

Reducing Costs

Endowed Funds

FUNDING STREAMS

Grants/Contracts

Social Entrepreneurship

Increasing Revenues

Annual Giving

In-Kind Donations

- In-kind donations are anything of value **other than cash**. So your employees' time not reimbursed out of grant proceeds constitutes an in-kind contribution on your part unless you are charging that against the indirect rate. For instance, maintaining an EMR is usually an in-kind contribution in CMH grants.

Tracking In-Kind Donations

- In-kind donations are an indicator of community support of a nonprofit.
- In-kind donations are a base for converting to cash donations
- In-kind donations are an indirect indicator of sustainability
- The feds are beginning to ask for in-kind donation totals in sustainability plans
- Request the in-kind donations booklet (Missouri) from the Office of Health Disparities.

Funding Plan Structure

- A sound funding plan offers a diversified mix of funders to respond to all eventualities.
  - Local funders
  - Regional/State funders
  - National funders
  - Potential funders
  - "Wolf-at-the-Door" funders
  - Match funders
  - Endowment funders

Funders by Type of Funding

- Operating funding (hard to secure)
- Program development (can assist in reaching new growth points)
- Seed money (not as common today)
- Continuing Support
- In-kind gifts
- Matching funds
- Endowment

Youth-Issue Funders

- Substance Abuse Funders
- Adolescent Health Issues
- Youth Services
- Community Development
- Health Associations

*These are descriptors used to locate information in funding databases.

- Youth Development
- Youth-at-Risk
- Violence Prevention
- School Health

TABLE EXERCISE 6: Three-Year Project Plan

Three-Year Project Plan

- Identify an issue to be addressed

- Take 45 minutes to sketch a 3-year project plan for your customers.

Multi-Year Project Plan

Year 1

Project/Intervention	Funding Type	Funder

Multi-Year Project Plan

Year 2

Project/Intervention	Funding Type	Funder

Multi-Year Project Plan

Year 3

Project/Intervention	Funding Type	Funder

Shift in Funding Trends

- After the 1990s, funders approached requests for funds as though they were an investment opportunity, the means by which an investment mindset began ruling the funding world.

- In what is an investor most interested? RETURN ON INVESTMENT (ROI).

Variables in an Investment Mindset

- How much is the principal?
  - Principal = amount requested as a donation or grant award
- Does the project justify the amount of the principal?
- What is the risk rate in the request?
- What is the ROI for the target population, for the community, for the funder, for the applicant?

Return on Investment

- "The Marguerite Casey Foundation has been blessed with a sizable endowment (worth more than $600 million as of this writing [2004]), and, like other foundations, we manage these assets as carefully as possible, trying to maximize the return on our investments."

Ruth Massinga and Luz Vega-Marquis

ROI from a Funders' Perspective

- How much spent for how much exposure (radio spots, PSAs, newspaper notices)?

- How does it represent our employees when they are in the public view?

- Did the applicant actually deliver what was promised?

- Does it create value for our brand?

ROI from Funders' Perspectives

- What's in it for me? (WIIFM)

- Under promise, over deliver.
  Monsanto Foundation President

Diversifying Investments/Risk

- By diversifying investments, one spreads risk, thereby potentially lowering risk.

- The same investment principle holds for funders of major projects.

- Risk is spread when other funders and funding streams are involved in a project, the reason one may approach more than one funder.

A Funder's Perspective

"Frankly, for my board, any indication that there are multiple supports for an investment makes it more compelling. For example, fairly recently we got a proposal in which it was made clear that, for the proposal to be fully funded, there had to be five funding partners, and each partner was going to have to take a piece. There was the tech assessment, the acquisition of hardware, the acquisition of software, the training, and a two-year IT consultant built into the proposal as a whole, which was part of creating a bigger database, a bigger data management project for multiple organizations. The five funders all agreed to do it because we knew that our piece was simply a part of a much bigger, well thought-out plan."

Marc Osteen, Susan Myrland, and Katrin Verclas. "Beyond the Case Statement: Your Grant Proposal." *Tech Soup*. August 22, 2003.

Diversification to Lower Risk

- Funders do not want to completely fund any large project because they bear the risk of that project's dysfunction or failure alone.

- The Kresge Foundation, a major national funder of construction grants, will not entertain a grant application until the project is half completed.
    - Note the front-end commitment insisted on by this major funder.
    - Funders usually want to know what local commitment and funding exist prior to a positive response on their part.
    - This stance reduces risk and insists on potential local sustainability.

- To build capacity and lower corresponding risk, groups must diversify fundraising roles, tasks, and streams.

Fiscal Risk

"For many agencies, the most common measure of fiscal health is to measure the diversity of funding. The conventional wisdom is that an agency with a diversified funding base is more stable and better equipped to manage during times of economic change. . . . A higher revenue concentration from a small number of sources is one indicator of financial risk, but a lack of fiscal diversity by itself is not the single predictor."

Mark Fulop, *Sustainability Planning and Resource Development For Youth Mentoring Programs*.

Current Cost Probabilities

- The more funding you are seeking,
  - the higher the risk is to funders,
  - the more sustainability is vital,
  - the more local buy-in is important,
  - the more Return on Investment (ROI) and impact are significant,
  - the more your project plan will earn scrutiny,
  - the more your past performance is crucial,
  - the more barrier identification and reduction are instrumental.
- The need your proposal is addressing does not resolve these issues; your organization's history will.

Requests for Proposals (RFPs)

Grants Law
Major Warning!!!

- If a Request for Proposal or Bid (RFP/RFB) stipulates 35 tasks or guidelines for an application, an applicant must complete ALL 35 tasks.

- If all 35 tasks are not completed, the grantor must refuse to review the grant application.

- The courts have ruled that an unsuccessful applicant may not petition a court for a hearing UNLESS a due process issue is involved.

- If a grantor funds an applicant that completed 34 of 35 tasks while denying funding to an applicant completing 35 of 35 tasks, a due process issue arises, allowing the latter applicant to sue the grantor.

- Grantors don't allow themselves to fall into this situation.

Nota Bene

- Courts hold both the maker of and an applicant to an RFP responsibile to its provisions.
- Don't trash an RFP! You may need it in the future.
- Start a grants management file with the RFP being the first addition to it.
- Keep going back over an RFP to ascertain that you are including everything requested.
- Pay attention to the point distributions – they tell you what is most important to a grantor.

Communities in Action Grant Applications

Cover Page

Project Summary (3 pts.)

PROJECT SUMMARY

Mississippi is the poorest state in the nation, and has the highest incidence of cardiovascular disease. According to the 2000 Mississippi State of Heart Report, cardiovascular disease is the leading cause of death in Ford (43%), Kiowa (38%), and Clark (40.3%) Counties. Ford County is second in the prevalence of diabetes in Mississippi. Diabetes is the leading cause of adult blindness, lower-limb amputation, kidney disease, and nerve damage. Two thirds of people with diabetes die from a heart attack or stroke. Studies have shown that people with pre-diabetes can successfully prevent or delay the onset of diabetes by losing 5-7% of their body weight. Sadly, the underserved and underinsured cannot afford the health education to prevent, or treat if present, these chronic diseases. Until ABCD Health was founded, no one else in the southwest region was providing health education to the poor and uninsured. The denial of basic health education can lead to shorter life expectancies, severe chronic complications, and often painful deaths.

ABCD Health's mission is to enhance knowledge, skills, and health seeking behaviors to promote healthy lifestyles. The underserved, uninsured minorities who have a higher incidence of diabetes and heart disease, and the poor in the worst counties serve as our primary target audience. ABCD Health has extensive management experience and 55 years combined experience as health educators.

The $10,000 requested from the Mississippi Department of Health will enable ABCD Health to continue to offer diabetes, pre-diabetes, healthy heart/weight management classes monthly, and community education seminars three times a year, and speak at community and civic groups on request in the three focus counties. Funds will enable ABCD Health to increase its client base by 20% by December 2008, increase client knowledge and awareness of chronic disease management, improve glucose, blood pressure, and cholesterol levels and promote weight loss in our clients.

Logic Model (5 pts.)

Handout

Logic Model

- Handout

Needs and Demographic Statements (15 pts.)

Needs and Demographics Data

Mississippi is the poorest state in the nation. In 2003, 15.7% of the population in the three focus counties had incomes below the poverty level compared to 12.5% nationally. Mississippi leads the nation in diabetes, cardiovascular disease, and obesity. Cardiovascular disease accounted for 10,862 deaths in Mississippi in 2005.More than 700,000 Mississippi adults had hypertension. According to the 2000 Mississippi State of Heart Report cardiovascular disease is the leading cause of death in Ford (43%), Kiowa (40.3%), and Clark (39%) Counties. In 2005, more than 316,000 Mississippians had diabetes. One third of the undiagnosed. An estimated 2,200 Mississippians suffer from diabetes related complications such as blindness, amputation, and renal failure. Ford County has the second highest prevalence rate of diabetes in Mississippi. In 2005, 65% of adults in Mississippi were either overweight or obese. These chronic conditions are largely preventable. If present, they can be managed. However, many people are unable to access the health education needed to improve their health due to their inability to pay.

According to the Centers for Disease Control and Prevention, seven out of every ten deaths in the United State are due to chronic health conditions, including heart disease, stroke, cancer, and diabetes. Furthermore, Medical News Today reported that at the time of Hurricane Katrina, 52% of the displaced residents did not have health insurance coverage and 41% had chronic health conditions such as heart disease, hypertension, diabetes and asthma. Chronic diseases affect the quality of life of 90 million Americans.

Meet Mike, a client recently seen by ABCD Health in Madigora. Mike was referred to ABCD Health by Woodvale Hospital. He was admitted to the hospital with a glucose level of 1000mg. Mike lost his home, his car, his job and with it, his medical insurance. He was discharged from the hospital needing education in diabetes self-management. Mike could not afford to pay for education at the hospital. He came to ABCD Health and received five hours of diabetes education. In addition, ABCD Health was able to refer Mike to St. Mary's for assistance with his insulin and a food pantry for help with his meals. Mike was in the process of applying for his disability and had no income. Mike would not have received the education he needed if ABCD Health were not working in the region.

Warning!!!

- Do not present data in sentences! Human cognitive machinery, even among the best readers, does not track or process data well in that format.

- Present data in tables.

Beauties of Tables

- Their data can be processed easily.
- They can be reviewed in the glance of an eye.
- You can single space a table no matter what the RFP says about double-spacing the narrative.
- You can reduce the font size to 10.
- You SAVE SPACE!

Rules for Presenting Data

- In a paragraph preceding the table,
  - identify the data,
  - identify its source,
  - identify its date.
- Insert the table.
- In a pargraph after the table, identify for readers the one to three major points established by data in the table.

Data Mix for Needs Assessment in Proposals

- Compiled Data
  - National data/rate/etc.
  - State data/rate/etc.
  - County data/rate/etc.
  - Community/city/zip code data/rate/etc.
  - Neighborhood data/rate/etc.
  - School/church data/rate/etc.

Notice the "funnel" or focusing effect.

Data Mix for Proposals (cont.)

- Data from focused surveys
- Data on disparate populations

Hint: Don't be reluctant to acknowledge data gaps. Funders like to fund informational or data gaps (but not cash flow gaps).

DON'T

- throw in any negative data just because they represent something bad about your population.
  - The presentation will seem incoherent.
  - The result is a "buckshot" discussion.
  - It appears that random and unrelated items were thrown together just because they demonstrated "something bad."

Buckshot Data

Community Risks

　　The Amberwood County Health Department recently conducted a needs survey using the CHART Model. Through this survey process, the top three concerns identified involved adolescents. The concerns were adolescent substance abuse, at-risk behaviors of adolescents, and lack of parenting skills.

　　The survey process revealed many startling statistics. According to *Kids Count Missouri 1999 Data Book*, the Amberwood County birth to teens rate was 67.6 compared to the state rate of 51.1. This county rate has steadily risen over the past several years. The number of Amberwood County's children living in single parent families has risen from 13% in 1980 to 18% in 1990. Three out of the four public school districts in the county saw a significant decline in the graduation rate over the past four years, with the largest school district being as low as 65.5%.

　　The rate of violent deaths to teens was considerable higher than Missouri's statewide average as well, with the county's rate at 113 and the state average being 80. In Amberwood County, violent deaths to teens have doubled since 1993. The increase in violent deaths to teens correlates with the increase in numbers of juvenile law violation referrals with 107 referrals in 1994 and 155 referrals in 1997. These statistics, along with other child health indicators, combined to place Amberwood County 100 out of 114 counties in Missouri in aggregate county ranking for child well-being (*Kids Count Missouri 1999 Data Book*).

Assets are considered strengths and resources that have a positive influence over an individual's life. According to the Search Institute, there are 40 developmental assets that are critical for the successful growth and development of youth. Research conducted by the Search Institute consistently demonstrates that youth with higher levels of assets are involved in fewer risk-taking behaviors. Studies show that at least 31 or more assets are needed to lower risk-taking behavior to a minimum. Only 9% of the youth in Amberwood County have 31 or more assets to use when faced with life's difficult challenges (*Developmental Assets: A Profile of Your Youth, 1998*). Clearly, this is the underlying problem that needs to be addressed.

A Challenge

- What if only state or county data are available, not city, town, or neighborhood data?

  - Extrapolate from the larger population to the smaller population.

  - Be certain to state in the text of the proposal that (1) data for smaller areas are not available so (2) the figures used are extrapolations from larger data.

Nota Bene

- Do not run important data into prose, sentences. Present them in a table so that readers' cognitive processing can more easily commit it to memory. The correct process follows.
    - In prose, identify the source, date, and purpose of the data.
    - Insert the table.
    - In a paragraph following the table, point out the salient or important points.

Making a Case Using Data: No Problem Exists Until Data Demonstrate Such

Income and Poverty Levels in the CMH Service Area		County	Missouri
Cedar	Median Household Income 2003	$27,677	$40,870
	Persons below poverty, percent, 2003	**15.8%**	11.6%
Dade	Median Household Income 2003	$31,236	$40,870
	Persons below poverty, percent, 2003	**13.0%**	11.6%
Dallas	Median Household Income 2003	$29,168	$40,870
	Persons below poverty, percent, 2003	**15.3%**	11.6%
Hickory	Median Household Income 2003	$25,815	$40,870
	Persons below poverty, percent, 2003	**16.2%**	11.6%
Polk	Median Household Income 2003	$31,358	$40,870
	Persons below poverty, percent, 2003	**15.0%**	11.6%
Greene	Median Household Income 2003	$35,958	$40,870
	Persons below poverty, percent, 2003	**12.5%**	11.6%
U. S. Census Quick Facts, 2003			

Counties	Cedar		Dade		Dallas		Hickory		Polk		Missouri	
Base/Collection Point	2000	2004	2000	2004	2000	2004	2000	2004	2000	2004	2000	2004
Free/Reduced Lunch	39.3	46.2	45.9	53.7	42.2	51.9	56.8	60.9	45.3	51.4	36.7	40.5
Enrolled in MC+/Medicaid*	41.9	55.0	35.6	55.6	35.1	47.0	53.8	65.0	35.6	51.2	29.6	38.5
	2000	2003	2000	2003	2002	2003	2000	2003	2000	2003	2000	2003
Public Clinic Immunization	87.4	72.0	82.8	60.0	83.0	84.4	93.8	66.7	89.3	77.5	83.8	79.1

Percent of Children 0-17: Data Impacting Student Health

*In 2006, the Missouri Legislature cut funds from Medicaid, leaving 40,000 children without healthcare.

Missouri Kids Count, University of Missouri

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Percent of Children 0-17 in Poverty					
Counties	Cedar	Dade	Dallas	Hickory	Polk
1990	31.2	21.1	29.6	30.4	20.3
2004	25.1	20.4	22.6	27.7	21.4
USDA Economic Research Service/Missouri Kids Count, University of Missouri					

Key Components Added to Existing School Health Expos
Bar-coded identification card for each student as the "key" to their EMR
Accurate use of the EMR for electronic collection of screening results
Electronically generated risk analysis, trends and referrals
Ability to close the follow-up loop to assure referrals are acted upon
Access to screening information by pediatricians and primary care physicians

Group/Organization's History (10 pts.)

Group and Organizational History

- is really a capacity discussion – do you have the knowledge, experience, judgment, infrastructure, and business behavior to accomplish your goals and outcomes.

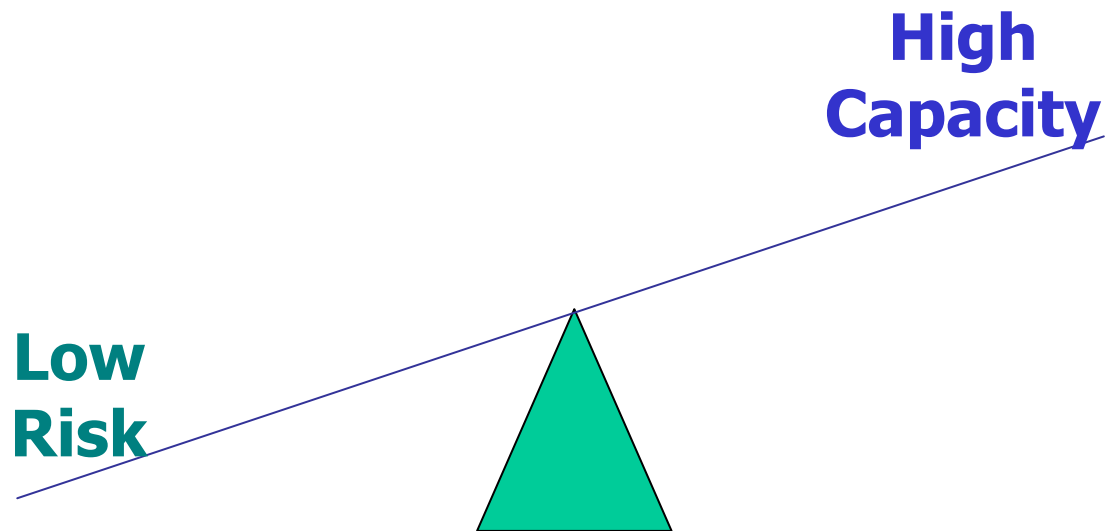- Are you a low-risk organization?

New Competitive Dynamics Reflecting ROI

Capacity-Building

to

Reduce Risk

Low-risk, High-capacity Organization

Capacity = Capability

- **Any increase in**
  - **knowledge,**
  - **skills,**
  - **experience,**
  - **infrastructure,**
  - **collaboration or partnership**
  - **donations, grant awards**
  - **audits, performance**
  - **evaluations**

- **In the areas of**
  - **structure,**
  - **staff,**
  - **board,**
  - **planning,**
  - **goals,**
  - **customers,**
  - **& community.**

Capacity comment without documentation

- "All but the newest staff members have achieved a level of confidence that supports their ability to present workshops and lab experiences."

Note another undocumented claim!

Undocumented claim = hot air, blather; we can't prove it so we just state it

Undocumented claims

- If you have to say it, it isn't true.

- If it's true, you can SHOW it, demonstrate it, provide evidence of it.

- Data are the key.

Work for a high informational index.

- Initial writer-based prose possesses a low informational index.
- Prose with a low informational index is not informative enough to build credibility with readers.
- A high informational index makes prose more articulate and informative and presents a writer as an expert.

Importance of the Informational Index

Bo Derek Scale

10
9 **= High Informational Index**   **Low-risk decision**
8   **for primary audience**

7
6
5 = Low Informational Index   High-risk decision
4   for primary audience
3
2
1

Boost the informational index.

Low informational index:

Cardiovascular disease is the number-one killer in Nebraska.

High informational index:

In 1993, 6,155* Nebraskans died of heart disease – ‡17 people each day.

Norton Kiritz, "Hard Data/Soft Data," TGCI Publications.

*NOTE: At the rapid rate experienced writers read, running two numbers together as occurs at the beginning of this sentence will result in reading miscues – incoherency. Cognitive processing cannot latch onto incoherency, cannot make sense of it.   It can only identify it as a mess.

‡ NOTE: We cannot make much functional meaning out of a number in isolation. It has to be played off against something else.

Capacity-Building Mentality

- Goal/planning/outcomes orientation
- Focus on growth points
- As capacity increases, productivity and resources (including funding) increase – if an organization is wise enough to leverage gains
- Movement toward sustainability
- Lowering or removing barriers

Group and Organizational History

- certainly ought to include information about the credibility and capacity of an organization's board.

  - Members
  - Experience with target population, community, project, leadership.

Program Plan (20 pts.)

Program Plan

- Goals
- Objectives
- Activities
- Realistic? Naive or Superficial?
- Responsibilities

Distinctions Between Measures

- **A process measure**
  - **could demonstrate that 2000 patients were screened by the project.**
- **Thus, a process measure is an output for service delivery.**

  HRSA

- **An outcome measure**
  - **assesses the lowering of the rate of a particular disease or**
  - **finds higher satisfaction in the population's access to health care, or**
  - **indicates what changed.**

Goal 2: To connect data improvements to steps making improved student health possible. (Improved processes)	
Objective 2.1: To create personalized risk analysis, including trending, electronically generated reports and referrals **Objective 2:2:** To make information available to physicians and primary care physicians over time.	
Activities:	Send the completed risk analysis to each child's parents.
	Include referrals to pediatrician or primary care physician with names and numbers to call for appointments.
	Add the risk analysis to the EMR.
	Combine information from pediatricians and other providers with screening information in EMR for more powerful ability to identify risks and trends for each child and for the population.
	Analyze trends (increasing BMI, declining vision, etc.) in each student's EMR over time to enable early intervention.
	Provide screened students with a bar-coded card for use in the School Health Expo and in the future.
Indicators:	Number of referrals from risk analysis
	Number of subsequent pediatrician contacts survey of school nurse response
	Survey of parent response
	Survey of school nurse response
	Survey of pediatrician, primary care physician, and health professional response

Cardinal Principal

- Answer a question when it pops into the readers mind.
- If it isn't the prescribed location for that information, don't explain the answer, for you will do that in a later section.
- In this instance, the answer is merely and identification, not a description or explanation.
- Transportation for Hope is seeking $15,000 for an automobile to transport women and children staying in the shelter to locations where they can begin rebuilding their lives.

Program Plan

- Clients receive three hours of education that includes risk factors for heart disease, target lipid goals, nutrition, how to incorporate physical activity into the lifestyle, important of smoking cessation and available resources, and stress management strategies. A registered nurse teaches one hour of class. The registered dietician provides two hours of instruction. Educational materials used were adapted from Material from the American Heart Association. Participants return for three, six, and 12-month follow-ups where BP, weight, body mass index, and cholesterol levels will be measures.

Program Plan (cont.)

- Expected outcomes are*
  - 90% of Clients with elevated blood pressure will experience a decrease
  - 90% of clients with an elevated cholesterol >200 decrease their cholesterol
  - 80% of those with a BMI >25 will lose weight

  *Not real performance standards because no targets are included.

Management Plan

Program/Management Plan

- At this point in a proposal, a logic model cannot serve as a program or a management plan.

- There is not program plan.

- There is resume language about education and work experience, but not real management plan.

Is the program plan catered to and able to meet the needs of the target population?

Plan Linkage

- A management plan should clearly link to goals and objectives.
- Some RFPs require that each line item in a budget be overtly marked as relating to a particular goal and objective.
- Some RFPs require measures of the plan's effectiveness and a feedback loop.
- Recently, RFPs have required continual feedback of evaluations into the system.

Think-tank Tasks for Management Team

- Locate science-based/evidence-based projects and interventions
- Create/complete logic models
- Trouble-shoot unexpected issues
- Plan multi-year programs
- Create adjustments for targets
- Determine how to feed evaluations back into the system

Think-tank Tasks (cont.)

- Assist in creating comprehensive projects
- Create funding streams through relationship-building
- Identifying funder trends
- Staying ahead of change loops

Federal Organizational Capacity Discussion (Version 1)

- Experience in managing a project of the proposed size and scope (including $$)

- Successful experience with target/disparate population

- Commitment to maintaining relationships among stakeholders

- Experience and commitment of third parties, such as consultants or contractors

- Appropriate organizational structure, management information system

Another Federal Organizational Capacity Discussion (Version 2)

- Plans for monitoring subgrantees/contractors
- Experience in ability to administer a federal grant or state contract
- Roles of key staff people responsible for the program – don't fall into the "resume trap"
- Sound track record in managing collaborations and budgets
- Appropriate organizational structure, management information system
- Plans for evaluation, self-assessment, and any research you plan to conduct.

Establishing Managerial Capacity

"Drug Prevention Resources (DPR) has over 67 years of experience executing community programs under grants from federal and state agencies. Throughout this time, it has developed systems to ensure that program and financial standards are not only met but exceeded. DPR's accounting functions maintain tight control and oversight of all funding and expenses in accordance with Generally Accepted Accounting Principles. Financial systems include budgeting, financial reporting, accounts payable, and grant and contract management. This is supplemented by software that unifies and allows for cross-referencing of our general ledger, accounts payable, budgeting, and purchasing in an accurate and efficient manner. In addition, DPR engages an independent firm to annually perform an OMB A-133 audit [results?] of our financial statements and review our internal controls, compliance with laws and regulations, and adherence to the requirements of federal, state, and other funding agencies."

Red = opportunities to boost the informational index

Consortium Governance Plan

- How many paid staff available when?
- How other project resources will be assembled?
- How the project will be managed?
- What measures will gauge the effectiveness of this plan?
- What will ensure feedback leading to immediate program modification?

Consortium Communication/Coordination Plan

- Weekly contacts?
- Monthly contacts?
- Project status information immediately available?
- Process for important decisions?
- Who has authority to make pressing decisions?
- What will ensure feedback leading to immediate program modification?
- What measures will gauge the effectiveness of this plan
- What will ensure feedback leading to immediate program modification?

Example Handouts

- Partnership Management Structure in the Workforce Development Grant

- Project Management Plan for Telehealth Grant

Timeline (5 pts.)

Handout

- Two objective timelines (out of five)

Evaluation (15 pts.)

Evaluation Design

- Evaluation design always starts with the heart of an application – the goals and objectives.

- Since project design includes a process evaluation of each activity, it is not included in this section.

- That process description is discussed in the project section.

Evaluation Design

- Evaluation design involves summative evaluation, evaluation of the whole project, not its parts, per se.

Evaluation Requirements

- Federal systems-building grants and project grants deemed important may require an outside evaluator, (nonprofits contract with this person).

- Such RFAs stipulate that no more that 5% of the total of a grant application may be paid to an outside evaluator.

- Some federal and state grants require grantees to attend an evaluation conference; these are deemed important to grantors.

Evaluation Requirements

- Practical experience suggests that an organization contract with someone who already knows something about the state.

- Going far afield for an evaluator has backfired on some grantees.

- Sound out a candidate evaluator about their feelings about your program model, strategies, etc. Evaluators can be just as biased as the rest of us.

Evaluation Tips

- If you are contemplating an evaluator in academe, you can lower the cost of your contract with this person if you approach her or him as an independent professional as opposed to an agent of a university or college.

Evaluation Options

- Goals and objectives
- Logic model in the outcomes module
- Process evaluation of activities
- Benchmarks: Annual status report for states
- Program evaluation
  - Functioning elements
  - Advisory committee
  - School personnel
  - Stakeholders

Other Evaluation Methods

- Standarized tests
- Satisfaction surveys among users, partners, and funders
- User participation level
- Outcomes-based indicators
- Milestones/Benchmarks

Steps in Program Evaluation

- Engage stakeholders

- Describe program

- Focus evaluation design

- Gather credible evidence

- Justify conclusions

- Ensure use and share lessons learned

Community Tool Box

Program Elements

- Need

- Expectations

- Activities

- Resources

- Stage of Development

- Context

- Logic model

Community Tool Box

Faulty Evaluation Design

- List of contacts
- Copy of information sent to media
- Clippings of articles
- Attendance record
- Number registered for event
- Logo developed for use
- Brochure completed
- List of sites receiving brochures
- Pre- and Post-test

Budget and Budget Narrative (10 pts.)

Budget Tips

- NEVER just list a total! Break it down for reviewers and the federal procurement officer.
- Avoid the "laptop trap" – asking for equipment not central to a project.
- Pay attention to ratios: expenses versus project costs.
- Be alive to what competitors may be seeking in $$.
- Starting in 2005, separate budgets with justification for each year of a continuation grant have to be submitted in Year 1.
- It is not unusual in systems-building grants for the grant proceeds to decline each year after the first (i.e., $150K, then $125K, and finally $100K).

Budget Tips (cont.)

- If you fund a **new** position for multiple years and add a salary increase for years 2 and 3, you have to cut back somewhere else in the budget to keep from exceeding the maximum funding allowed.

- DO NOT look to fund regular organization personnel costs out of this or any other grant. Only state agencies are allowed to do so.

- Remember when you fund percentages of FTEs you **must keep hourly records showing that only that time spent on the grant project was coded to the grant proceeds**.

- As a rule of thumb, no more than 40% of the total of a grant should be devoted to wages and benefits. In other words, staff-heavy budgets are not favored or usually funded today.

Budget Tips (cont.)

- A match may or may not be required. The RFP will indicate that. If a match is required, it often can be met with in-kind expenses (employees' time not directly paid out of grant proceeds). Partners' employees' time can really help here.
- Avidly sought grants will require a cash match, sometimes a double match. Partners really help here.
- Only with grants favored by the President can one match federal dollars with federal dollars. Usually that is not allowed. Thus, federal funds run through a state's legislative appropriation process are still considered federal funds, so they cannot be used to match. However, funds deriving from **state taxes** can be used to match federal funds. In short, you must know and be able to demonstrate to a federal auditor the origin of match money.

Budget Tips (cont.)

- In-kind donations are anything of value **other than cash**. So your employees' time not reimbursed out of grant proceeds constitutes an in-kind contribution on your part unless you are charging that against the indirect rate. For instance, maintaining an Electronic Medical Record is usually an in-kind contribution in CMH grants.

- Indirect costs are those administrative costs incurred by your organization that are not reimbursed as a direct cost out of grant proceeds.

- After you secure your first federal grant, you can negotiate an indirect rate with your cognate federal agency (for most hospitals, that would probably be HHS). Once you have secured an indirect rate with one federal agency, all federal agencies must honor that rate, but only on applications that YOU submit. It does not apply to subgrants or contracts funded from a grant awarded to some other organization. The trend is for federal agencies to avoid having to pay negotiated indirect rates.

Budget Tips (cont.)

- Never trash an RFP, for both the grantee and the grantor are bound by it. It becomes a legal document that courts and hearing boards honor as a foundation for arbitration and legal proceedings.

- Start an auditor-friendly grants file that holds all major documents related to a grant, beginning with the RFP. Federal law requires that you keep these files on hand 3 years after a grant has concluded. However, Missouri law requires that you keep the file 5 years. When that time is up, SHRED THE FILE! Any files on hand, no matter how dated, can be examined by state and federal auditors and inspectors general, not to mention the public.

Budget Tips (cont.)

- Until a grant or contract is awarded, the application does not fall in the public domain. But once an award is made to any applicant, the applications become subject to the Missouri Sunshine Law, and copies of them can be demanded from the awarding agency by the public.

- There are only four circumstances in which it is allowable to charge the cost of meals to a grant, for the IRS has termed meals "entertainment," which is not an allowable cost.

  - Travel mandated by an RFP.

  - "Working meals" – but you better have a textual artifact that resulted from the meal.

  - When a meeting location is far from customary eating establishments.

  - When participants are low-income.

Budget Tips (cont.)

- A recent RFP required that each line in the budget narrative be clearly linked by overt notation to a goal and an objective in the project being pitched, a good strategy to follow. New language in federal RFPs posted in late 2006 almost forces one to that stance.

- "Because the nature and scope of the proposed research will vary from application to application, it is anticipated that the size and duration of each award will also vary. The total amount awarded and the number of awards will depend upon the mechanism numbers, quality, duration, and costs of the applications received."

Budget Tips (cont.)

This new language

- allows a grant competition to be initiated when total funding has yet to be determined either by Congress or the federal agency,

- provides a federal grant program more flexibility in making awards,

- stretches federal dollars,

- discourages applicants from budgeting for the cap on the grant,

- discourages "padded" budgets.

Handout

- Flawed budget